

## San Diego Old Town Renovation Highlights Culture and Fun

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The largest concession in the Old Town San Diego State Historic Park went from colorful and festive to drab and historic and is now trying to find a middle ground.

When Chuck Ross, founder and president of **Old Town Family Hospitality Corp.**, took over the Buffalo, New York-based **Delaware North Cos.**' contract, he focused on how to bring back more than tourists - specifically, the San Diegans who used to visit the local landmark.

"We needed to get life back into the park," Ross said. "We had a few retailers here, and we were sensitive to the fact that they needed more traffic to their stores. People were ready for something new to happen."

Old Town San Diego is known as the birthplace of California. In 1769, Father Junipero Serra established the first of 21 missions in California on a hill overlooking what now is Old Town San Diego State Historic Park on a flat piece of land where a small Mexican community began to grow in the 1820s.

California's Department of Parks and Recreation established Old Town as a state park in 1968 to commemorate life in San Diego in the 1800s with museums, living history demonstrations and other exhibits. Old Town was added to the National Register of Historic Places in 1971. The state park is home to eight hotels, 35 restaurants, 85 merchants, 30 historic sites and 18 free museums.

Most of the concession operated by Ross is at 2654 Calhoun St. in the northeast section of Old Town. Those 60-year-old buildings and their shared courtyard house most of Old Town Family Hospitality's three restaurants and 11 retail spaces in an area renamed Fiesta de Reyes and anchored by the Casa de Reyes restaurant. Ross' concession also includes the nearby Barra Barra Saloon and Cosmopolitan Hotel & Restaurant.

Before Delaware North, local businesswoman Diane Powers ran Fiesta de Reyes under the name Bazaar del Mundo and its restaurant was called Casa de Pico. Powers lost the contract with the state when Delaware North took over in 2005. Despite fulfilling its promise to complete \$12 million worth of renovations that would provide historical accuracy, the popular destination soon went from colorful and festive to bland and sedate by comparison.

Delaware North approached Ross last year about taking over Fiesta de Reyes, then called Plaza del Pasado, because the company had done most of what it needed to do to improve the property under its contract with the state, but business wasn't getting any better.

"They knew if they waited a few years no one would be able to come in and turn it around," Ross said.

### A Unified Goal

According to Donna Renner, concession specialist for the San Diego Coast District of California State Parks, Bazaar del Mundo's peak annual gross receipts totaled \$28 million, which gave the state \$1.9 million in annual rent. In its first year, Delaware North paid its annual minimum rent of \$2 million, but grossed only \$13 million in sales.

Ronilee Clark, superintendent for the San Diego Coast District of California State Parks, said the contract the state had with Delaware North still holds under the new operator.

If there had been any substantial changes to the contract, the state would have had to seek new bids for running the concession. Delaware North's agreement with the state allowed it to assign the contract to another operator as long as the terms were unchanged.

"Our overall goal is the same: to provide an atmosphere within which visitors to Old Town San Diego can understand and appreciate the cultures, the foods, the lifestyle and the events that took place in early San Diego that then led to the development of California," Clark said.

She said the changes proposed by Delaware North occurred more rapidly than anticipated with many temporary changes instead of full-scale renovations that would have made the intent clear to the public.

"They made radical changes the public didn't like and didn't provide other things that would've enhanced the visitor experience. They never did complete their vision," Clark said.

Additionally, after submitting its proposal to the state, Delaware North had some staff changes that affected the project, she said.

"We are much more aligned with the vision of Chuck Ross," Clark said.

In addition to Old Town Family Hospitality Corp., Ross, a local businessman, owns South Bay Fish & Grill in Chula Vista on the San Diego Bay waterfront and San Diego Catering Concepts.

### **Ongoing Renovations**

In Old Town, renovations are ongoing at Fiesta de Reyes and the other sites in Ross' concession, with funding from Delaware North and an eye on history.

The base of an old adobe wall discovered as flagstone was being laid for the Casa de Reyes patio was preserved and remains on view in a small roped off section of the restaurant. While the patio has some umbrellas again, a bamboo structure called a carrizo will replace the canvas awnings installed by Delaware North.

To justify the occupancy of each retailer in Fiesta de Reyes, Ross' company runs them through a simple test: Was the item sold, made or imported in San Diego during the 1800s? That makes it easier for stores like Urban Seed & Flower and the kitchenware shop Fiesta Cocina to fit in the property's historical context.

Other retailers include a Mexican bakery, a tortilla and taco shop, a hot sauce vendor, historic art shop, silver jewelry store, a wine shop and a local olive oil producer.

"We went from three retailers when we took over from Delaware North to 11," Ross said. "We leased space to eight retailers in eight weeks."

Once word got out that Fiesta de Reyes was going to be under the control of a new operator, he said there was a lot of demand to fill vacant shop spaces.

"We never advertised; people found us," Ross said. "Then we worked from referrals."

When he took over in March, everything was closed. Ross' company came in and renovated two of the restaurants - Casa de Reyes and Barra Barra - which reopened in May with new menus.

It probably will be another year before the historic renovation of the Cosmopolitan Hotel and Restaurant is completed. When finished, the two-story building will have a restaurant and private dining rooms downstairs and 10 guestrooms upstairs.

Retailers and restaurants are struggling with the ongoing recession, but Ross is optimistic about the prospects for his venture in Old Town. Parks usually do well during downturns, he said, noting that Old Town has free museums and reasonably priced shops and restaurants.

Renner said gross receipts are down among all of the concession operators in Old Town, but no one has had to terminate a contract due to economic conditions, even though privately owned shop spaces on San Diego Avenue are experiencing new vacancies.

"People were really ready for a change here," Ross said. "I'm confident that people in San Diego will come in and try us and like it."

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